INFORMATION LETTER

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SUBSIDY PAYMENTS END

USDA Terminates Eligible Sales Period for Both 1945 and 1946 Programs

Late last week the Department of Agriculture issued two announcements terminating the "eligible sales period" under both the 1945 and 1946 subsidy programs for designated canned vegetables and frozen vegetables.

1945 Subsidy Program

The "eligible sales period" for the *sale* of designated vegetable products produced under the 1945 subsidy contract had previously been extended beyond July 1, 1946, to September 30, 1946, on condition that such products were sold at prices not in excess of the June 30, 1946 ceiling prices. (See INFORMATION LETTERS for June 15 and June 22, pages 245 and 253. The new announcement cuts short this eligible sales period for subsidized vegetables under the 1945 program and makes it end at 12:01 a.m., July 28, 1946. This means that as to these products packed under the 1945 subsidy program, no subsidy can be collected on sales made after that time. (Whether or not a canner may immediately increase his price to reflect the absence of subsidy is discussed below.)

1946 Subsidy Program

The "eligible sales period" for the 1946 subsidy program—which has been called the 1946 interim subsidy program—did not run beyond June 30, 1946. Thus no subsidies have ever been payable on the sale *after* June 30, 1946, of products produced under this 1946 contract. The Department of Agriculture has now announced that it will not extend the eligible period for such sales beyond the original expiration date, June 30, 1946. In other words, no subsidy will be paid on products under the 1946 interim program where sales were not completed prior to midnight June 30, 1946.

No announcement has been made about the payment of subsidies on these designated vegetables which were or will be processed after June 30, 1946. On the basis of present (see *Subsidy Payments End*, page 302)

Price Controls Placed Back on Most Canned Foods

Price controls on canned fruits, vegetables and fish went back into effect on July 25 when the President signed House Joint Resolution 371 extending the Emergency Price Control and Stabilization Acts until June 30, 1947. Final enactment was based on a Conference Committee report adopted by a House vote of 210 to 142 on July 23 and a Senate vote of 53 to 26 following a long day of heated discussion that extended beyond midnight of July 24.

In his message to Congress announcing approval of the measure, President Truman stated he did so "with reluctance." He concluded his message with a pledge on the part of the Administration "to do its full part" in combating inflation. The President stated, however, that "the battle against inflation is not the Government's battle alone—it is the people's battle as well. * * * If it appears that all the efforts of the Government and the people will not be enough under the present legislation," the President emphasized, "I shall have no alternative but to call the Congress back in special session to strengthen the price control laws and to enact such fiscal and monetary legislation as we need to save us from economic disaster."

Except for certain food decontrol provisions and a substitute for the so-called Taft (see *Price Controls on Canned Foods*, page 298)

Congress Likely to Adjourn About August 1

Before the Senate took up the Conference report on extending and amending the Price Control and Stabilization Acts, Majority Leader Barkley informed the Senate that "it is the general feeling that there is no need for Congress to be in session any longer than next week, and I hope not any longer than Wednesday or Thursday." Sine die adjournment, therefore, seems likely about August 1. This will be the earliest that Congress has adjourned since 1940, Congress having been in almost continuous session during the period immediately preceding and throughout the war.

N.C.A. Planning Committee to Meet August 1 and 2

President Fred A. Stare has called a meeting in Washington of the Association's Planning Committee for August 1 and 2 to discuss the provisions of the new Price Control and Stabilization Acts and their effects upon 1946 canning operations. Officials of the Office of Price Administration and the U. S. Department of Agriculture will meet with members of the committee during the two-day session.

N. C. A. WASHINGTON LABORATORY STAFF CHANGES MADE

Since the beginning of the year six persons have joined the staff of the Washington Laboratory. Of these, one was a former staff member who returned from service in the Navy, two filled vacancies existing through loss of former employees, two were engaged in connection with the Association's sanitation program, and one was employed to augment the Chemical Division of the Laboratory.

Byron W. Fraser, who joined the Bacteriological Division in January, graduated from Pennsylvania State College in 1932. Following this, he gained experience in the food and beverage industries until he entered the Army in 1939, where he served six years, reaching the rank of Captain in the Sanitary Corps before separation in 1945.

John J. Dwyer, employed in April as chemist, graduated in 1939 from Canisius College, Buffalo, N. Y. After graduation he was employed commercially in quality control of food manufacture, and as a chemist for the U. S. Food and Drug Administration. He entered the Navy in 1944, where he was trained and served as Radio Technician until March of this year.

James M. Reed returned in April to the Laboratory staff from the Navy, where he had served since 1944. Prior to this he had been connected with the Bacteriological Division for eight years, during which he completed undergraduate training at George Washington University and was graduated in 1943. During much of his term in the Navy he was assigned as assistant liaison officer and later as liaison officer at the Quartermaster Research and Development Laboratory in Chicago, and held the rank of Lieutenant (j.g.) at the time of separation. Mr. Reed has taken charge of studies on processing of canned foods.

Herbert M. Decker was added to the staff in May as sanitarian, and took up duties at once in the Laboratory's seasonal activities, at headquarters and in the field. Mr. Decker had his undergraduate training at New York University, from which he graduated in 1940, and took further work in sanitary engineering, leading to the Master's degree in 1942 at the University of North Carolina. Following a year's work in sanitation with the U. S. Public Health Service, he was commissioned in the Sanitary Corps of the U. S. Army and served from 1943 to 1946, being released with the rank of 1st Lieutenant.

Betty M. Wynne, who graduated from the University of Maryland this year, joined the staff in June as microanalyst, and will be in charge of microanalytical work, including mold counting and application of other microscopical methods. Miss Wynne is already well trained in this work, having had commercial experience in control of tomato products during previous packing seasons.

William S. Crumlish, the newest member of the staff, began his duties July 1 and will be engaged in activities on sanitation and waste disposal, probably with principal emphasis on the latter. He was graduated in sanitary engineering from Pennsylvania State College in 1939, and was employed in construction, drainage, and sewage treatment work until he entered the Army in 1940, where he was engaged in sanitation and engineering activities in this country and in the South Pacific area. He was released from the service at the end of June this year, having reached the rank of Major in the Corps of Engineers.

Progress of Bacteriological Field Studies on Canned Peas

The first portion of the two planned bacteriological studies for the present canning season has been completed. The studies, conducted this season in New York State, consisted of an investigation of the effects of the use of chlorinated water in the packing of peas, and the usual bacteriological field survey to locate and eliminate any sources of contamination with spoilage organisms in pea canning plants.

The results of the chlorination study are being appraised and will be the subject of a later report.

The reports on the pea surveys are being prepared for the 34 canners who requested the service.

Both phases of the work are to be continued with bacteriological surveys on the corn and tomato juice pack in New York State, and chlorination studies on corn, potatoes and possibly several other products.

Field laboratory headquarters will be resumed with the start of the corn and tomato juice packs at the Edgett-Burnham Company, Newark, New York, and Haxton Canning Company, Oakfield, N. Y. Any member in the New York State area desiring information can contact N. C. A. representatives at these two stations.

Forthcoming Meetings

August 1-2—National Canners Association, Planning Committee Meeting, Association Headquarters, Washington, D. C.

August 13-16—Vegetable Growers Association of America, 38th Annual Convention, Horticultural Hall, Boston, Mass.

August 15—U. S. Department of Commerce, Committee on Standardization of Pallets, Conference Room, Commerce Dept., Washington, D. C.

August 21-24—National Food Distributors Association, Annual Convention and Exhibit, Hotel Sherman, Chicago, Ill.

October 10-12—Florida Canners Association, 15th Annual Meeting, Sheraton-Plaza Hotel, Daytona Beach, Fla.

October 17-19—National Association of Food Chains, 13th Annual Meeting, Drake Hotel, Chicago, Ill.

November 3-7—Super Market Institute, Annual Convention, Hotel Stevens, Chicago, Ill.

November 11-12—Wisconsin Canners Association, Schroeder Hotel, Milwaukee, Wis.

November 15—Ozark Canners Association, Fall Meeting, Colonial Hotel, Springfield, Mo.

November 21-22—Indiana Canners Association, Inc., Fall Meeting, Claypool Hotel, Indianapolis.

December 4-5—Tri-State Packers Association, Annual Fall Convention, Benjamin Franklin Hotel, Philadelphia, Pa.

December 6-7—Iowa-Nebraska Canners Association, Hotel Fort Des Moines, Des Moines, Iowa.

December 10-11—Ohio Canners' Association, Annual Convention, Deshler-Wallick Hotel, Columbus.

January 19-24, 1947—National Canners Association, 40th Annual Convention, Atlantic City, N. J.

February 6-7, 1947—Ozark Canners Association, 39th Annual Convention, Colonial Hotel, Springfield, Mo.

P. J. Ritter Officers Named

William H. Ritter, Jr., president of the P. J. Ritter Co., Bridgeton, N. J. has announced that at a recent meeting of the Board of Directors of that company, the following new officers were elected: Executive vice president, Paul J. Ritter; vice president in charge of production, A. B. Uber; vice president in charge of research and engineering, A. H. Funke, Jr.; and vice president in charge of sales, E. J. Laucks.

PEAS FOR PROCESSING

BAE Reports 1946 Crop 7 Percent Larger Than Last Year's Record Production

A record-high production of 531,200 tons of green peas is indicated for processing in 1946, according to the Bureau of Agricultural Economics. This estimate is based on reports received from canners and freezers of green peas on the condition of the crop on July 15. The indicated production is 8 percent above the July 1 estimate and exceeds the 1945 production of 496,810 tons by 7 percent and the 1935-44 average of 309,940 tons by 71 percent.

The yield indicated on July 15 for 1946 is 2,165 pounds per acre. The yield in prospect for this year has been exceeded only by the 1945 yield of 2,191 pounds, the 1920 yield of 2,267 pounds and the 1918 yield of 2,232 pounds per acre. The 10-year average is 1,741 pounds per acre.

In New York and Ohio, conditions for developing the crop this year have been especially favorable and prospective yields now indicated for 1946 in these States have never been exceeded. Yield prospects are somewhat above average in practically all of the other important States except Maine, Virginia, Colorado, Utah and California.

State	Harvested 1945	For harvest 1946
	Acres	*Acres*
Maine	4,920	7,000
New York	38,800	49,000
New Jersey	4,200	4,450
Pennsylvania	16,000	18,600
Ohio	6,400	7,400
Indiana	9,000	9,600
Illinois	20,300	22,000
Michigan	9,300	12,800
Wisconsin	150,000	152,000
Minnesota	40,000	39,500
Iowa	3,680	4,100
Maryland	11,600	12,200
Delaware	3,700	4,200
Virginia	1,700	2,600
Idaho	3,680	5,000
Colorado	4,770	5,700
Utah	15,300	14,400
Washington	51,900	56,000
Oregon	44,300	47,500
California	5,500	8,000
Other States	8,300	8,650
U. S. Total	453,440	490,700

Stark Heads Food Program

Paul C. Stark, Director of the Food Distribution Programs Branch of the Production and Marketing Administration and Director of the National Garden Program, has been named Director of the Office of Emergency Food Program, the U. S. Department of Agriculture has announced. He succeeds Walter F. Straub who has resigned to return to private business. Mr. Stark will carry on his new duties in addition to those already assigned to him.

Last of PW's Are Sent Home as Army Repatriations End

The Army's vast prisoner-of-war program in the United States came to a virtual close this week with the shipment from the New York Port of Embarkation of the final group of able bodied prisoners-of-war to be repatriated. Brigadier General B. M. Bryan, the Army's Provost Marshal General, who has supervised the entire prisoner-of-war program from the beginning of the war until now, reported that only a handful of hospital patients, escapees, and men serving criminal prison terms—less than 300 in all—now remain in this country out of a total of 435,788 Germans, Italians and Japanese brought here for internment. At one time there were a total of 14,571 in the food processing industry alone. This was during the month of August of 1945.

Between the spring of 1942, when the first few war prisoners reached the United States, and this week's final shipment of 1,420 Germans bound for Europe, there were brought to this country a total of 378,898 Germans, 51,455 Italians, and 5,435 Japanese.

At the height of the program, enemy war prisoners were housed in 155 base camps and more than 500 branch camps located in all parts of the United States. They were widely used for essential work on military installations, and in private contract labor in agriculture, lumbering, food processing and other vital industries which were suffering acute wartime labor shortages.

Stroup Named President of Kraut Packers Association

John M. Stroup, Empire State Pickling Company, Phelps, N. Y., was elected president of the National Kraut Packers Association at its annual meeting this week at Sandusky, Ohio. A. G. Henkel, Fremont Kraut Company, Fremont, Ohio, was elected vice president for the coming year, and Roy Irons, Clyde, Ohio, was re-elected secretary-treasurer.

Preceding the election of officers on July 23, the kraut packers association adopted a report of its labeling committee approving the committee's recommendations for labeling sauerkraut.

The kraut canners also approved the report of its committee on containers and authorized Secretary Irons to inform the National Canners Association of the kraut packers' recommendations regarding container sizes for packing sauerkraut and sauerkraut products.

The National Kraut Packers Association went on record as being opposed to any change in the defintion of sauerkraut as now defined by the Food and Drug Administration.

A report of the national publicity and advertising campaign now being fostered by the National Kraut Packers Association was given by the advertising firm in charge of the program.

Preceding the election of officers and the business meeting was a day of golf and other social activties which was culminated by an annual dinner.

Enemy Industrial Secrets

Alien Property Custodian James E. Markham this week announced that complete files of patents seized from German and Japanese nationals are now available in the patent departments of the Chicago and Boston Public Libraries and at the APC's San Francisco office.

Officials of N.C.A. have personally examined a number of these reports dealing with sheet-and-tin-plate and with various methods of food processing. So far as could be judged, the enemy nationals were not as far advanced as the American can manufacturers in their metallurgy applicable to food containers, nor were German processors as up-to-date in their industrial technique of food processing.

Comstock Buys Holley Co.

The Comstock Canning Corp., Newark, N. Y., has purchased the plant and equipment of the Holley Canning Co., Holley, N. Y. The Holley Canning Co. was founded in 1900 and packs peas, cherries, tomato products, apples, applesauce, apple juice and vinegar stock.

Harlan D. Munger, former president of the Holley Canning Company, will continue as manager in charge of the operations which will be continued and expanded, according to R. W. Comstock, president of the Comstock Canning Corp.

PRICE CONTROLS ON CANNED FOODS

(Continued from page 295)

Amendment, the bill signed by the President is substantially similar to the previously passed price control extension bill which was vetoed on June 29.

The new legislation provides that the extension and the amendments to these Acts are to be effective as of June 30, 1946. All regulations, orders, price schedules, and requirements which were in effect under these Acts on June 30 are declared to be effective as if the extension law had been enacted on June 30. No act or transaction occurring after June 30 but before July 25, however, is to be deemed a violation of the Price Control Act or the Stabilization Act or any regulation or order under these Acts.

The status of proceedings, petitions, applications, and protests which were pending on June 30 are preserved; and where any period of time (except time periods prescribed for court review and enforcement proceedings) was prescribed within which any act was required or permitted to be done which had commenced but not expired on June 30, such time period is extended for twenty-five days, that is, for the interim period. Thus all pending protests continue as though there had been no lapse in price control.

For fruit and vegetable canners this means that Supplements 13 and 19 of Food Products Regulation 1 covering canned fruits and vegetables again became effective when the President signed the bill. Transactions completed during the period from June 30 until the time the President signed the bill on July 25 cannot be deemed to be in violation of the Price Control Act and price regulations. But it should be noted that Section 3.12 of Food Products Regulation 1 (made applicable both by Supplements 13 and 19) prohibits both the sale or *delivery* at prices higher than the prescribed maximum prices. Thus any *deliveries* made after the effective date of the new Act are subject to price control, irrespective of whether they were *sold* prior to the effective date.

Of basic interest is the new and specifically announced policy of Congress to promote the earliest practicable balance between production and demand, and to terminate price control and the use of subsidy powers as rapidly as possible. On or before January 15, 1947, the President is required to recommend to Congress such legislation as in his judgment is needed to adequately control prices and wages for the remainder of the fiscal year of 1947. On or before April 1, 1947, the President is directed to report to Congress the commodities which are in such short supply as to require further control after June 30, 1947, and the agencies (other than the OPA) which should administer these extended controls. OPA as a separate Federal agency is to end on that date.

Temporary Decontrol of Particular Commodities

Particular agricultural commodities and products are temporarily decontrolled. Poultry, eggs, tobacco, and the products of these commodities are specifically decontrolled until August 20. After that date the Secretary of Agriculture, with the written consent of the newly created Price Decontrol Board, may direct the Price Administrator to restore maximum prices on these products. He is to do so where he finds that:

(1) The price of such commodity has risen unreasonably above the lawful maximum price on June 30 plus subsidies payable on that date;

(2) such commodity is in short supply and its regulation is practicable and enforceable; and

(3) the public interest will be served by such regulation.

Livestock, milk, cotton seed, soybeans, and grains, including the food and feed products of these commodities, also are exempted from all price controls until August 20. This group would include such products as canned meats and canned milk. As to these products the Price Decontrol Board is to consider whether or not to reestablish maximum prices after August 20. After holding a public hearing the Board may decide that such commodity is to continue free of price control. But it may order reinstatement of controls in accordance with standards similar to those governing the resumption of price controls on eggs, poultry and tobacco.

If the Board fails to direct the continued decontrol of any of these commodities after August 20, price controls automatically will go into effect for such commodities. The Act provides that the Board may recontrol any of the commodities in this list whenever it finds that recontrol is necessary under these standards. The Board also is given the authority to determine whether to reestablish subsidies on these products.

It may happen that one of the commodities in this category, such as livestock, for instance, is not subject to price control while a product of that commodity, such as canned meat, for instance, is subject to price control. Such a situation could occur by the Price Decontrol Board acting to continue after August 20 the temporary decontrol of livestock but failing to act on any of the products processed from livestock. In such a case the Act provides that the maximum price applicable to the product must include the raw material cost, the conversion or distribution cost, and a reasonable profit.

Agricultural Commodities Continued under Price Control

The Secretary of Agriculture is given virtually complete authority over the agricultural commodities and products which are not specifically decontrolled. Canned fruits, canned vegetables, and canned seafoods fall in this category.

The Secretary is directed to certify to the Price Administrator on September 1 the agricultural commodities which are in short supply. A commodity or product is deemed to be in short supply unless the supply equals or exceeds the requirements for the current marketing season. On the first day of each month after September 1, the Secretary shall certify a new list of the agricultural commodities which are in short supply. Price controls are automatically terminated for any commodity which the Secretary does not certify as being in short supply. If he fails to certify any canned fruit or vegetable or canned fish, price control of that product ends.

In addition to this decontrol power, the Secretary is directed to recommend to the Price Administrator by December 31, 1946, the removal of maximum prices on all agricultural commodities and products, whether or not in short supply, which are not important to business or living costs. He shall recommend the decontrol of such commodities as rapidly as is possible without giving rise to "a cumulative and dangerous unstabilizing effect."

Apart from these powers to remove agricultural commodities and products from price control, the Secretary is given almost complete control in the meantime over maximum prices of agricultural commodities and products. When the Secretary determines that maximum prices on such agricultural commodities and products, including canned vegetables and fruits, are impeding production, he may recommend to the Administrator that the maximum prices of such commodities be adjusted to attain the necessary production. The Price Adminis-

trator is required to carry out the directives of the Secretary with respect to decontrols or price adjustments within ten days after receipt of the Secretary's recommendation.

For purposes of decontrol and continued price control, fish and fish products are to be treated as agricultural commodities and be subject to the directives of the Secretary.

In exercising his duties, the Secretary of Agriculture is specifically freed from the direction of any other appointive officer or agency in the executive branch of the Government. Even in the absence of any recommendation by the Secretary, the Price Administrator may remove price controls on agricultural commodities with the consent of the Secretary. Thus the Secretary of Agriculture, the Price Decontrol Board, and the Price Administrator are each given decontrol powers over agricultural commodities by the provisions of the extension legislation.

Fishery Products

The new Act contains several provisions which affect fish canners directly. Section 2(i) of the Price Control Act is amended to require that no maximum price for any fish or seafood commodity, or for any commodity processed or manufactured in whole or substantial part therefrom, may be established below the average price for the year 1942. This amendment helps to settle the meaning of Section 2(i), since heretofore OPA has interpreted Section 2(i) of the Price Act as applying only to unprocessed fish and not to fish products such as canned fish. As already noted, fish and other seafoods and their products are deemed to be agricultural commodities for the purposes of the Price Control and Stabilization Acts. Thus, all of the provisions relating to the decontrol and pricing of agricultural commodities and products will be applicable to canned fish and other seafoods.

Pricing of Manufactured and Processed Goods

The so-called Taft pricing amendment, which was one of the principal reasons stated by the President for his veto of the earlier price control bill, is considerably changed in the new law. This amendment establishes new pricing standards to be used in adjusting maximum prices for the products of the producing, manufacturing, or processing industry, including service and transportation industries subject to the Administrator's control. It is probable that the food canning industry would be considered as a "processing" industry and would thus additionally be able to ask for the use of the pricing standards in this amendment. Under them, a maximum price for any product must return on the average to the industry the dollar price of the product during the base period of 1940 plus the average increase in producing, manufacturing or processing costs since 1940. A maximum price for any single product, however, shall be deemed to be in compliance with this standard if such prices on the average are equal to the average current total cost plus the industry's overall profit margin on sales in 1940.

In determining costs for this purpose, the Administrator is directed to ascertain the costs of a reasonable number of typical producers manufacturers, or processors. He may adjust such costs for any temporary cost or production abnormalities which may reasonably be expected to be cleared up within three months. Maximum prices under this section are not invalid if they fail to give any particular producer his costs.

The Administrator is given considerable discretion in the application of this new pricing formula. Thus he is not required to adjust any maximum price on any product if the price equals the average current total cost plus a reasonable profit, and if it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

The pricing standards for manufactured or processed goods in the revised Taft Amendment apply to "products"; but the meaning of the term "product" is not too clear. "Product" is defined by the Act to mean "any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product." This definition may mean in the case of canned foods that every variation in grade, style of pack, or can size constitutes a separate product, in which case the standard would be almost unworkable.

The industry advisory committee may apply to the Administrator for an adjustment of maximum prices for any product to which these standards are applicable and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator is required to either grant or deny the application within 60 days. If the Administrator fails to grant or deny the application within 60 days, the industry advisory committee may petition the Emergency Court of Appeals. The Court may order the Administrator to grant or deny the application within 30 days, and if he fails to grant or deny the application within this time, price controls on the product are automatically terminated.

Wholly apart from the current doubts as to whether OPA will have sufficient staff to apply these revised pricing standards in any industry to provide early relief, it is doubtful whether they will be sufficiently crystallized for use in any seasonal industries producing agricultural products.

Subsidies

The new Act provides an overall sum of $869,000,000 for subsidies on sugar, flour, petroleum, and other imported and domestic materials and commodities, including agricultural commodities and products. Such subsidies are to be "progressively reduced," and are to be terminated not later than April 1, 1947. The Act provides that no subsidies may be paid on any commodities for which no subsidies were in effect on June 29, 1946. Furthermore, the rate of subsidy which was being paid on June 29 on any commodity cannot be increased.

No subsidy program may be carried on for any commodity, including canned vegetables, for which price ceilings are not in effect. Thus whenever price controls for any product are terminated, subsidies will automatically be cut off.

When any subsidy is reduced or terminated, the bill provides that the applicable maximum price for the product shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers. The Government has announced subsidies will be discontinued on canned vegetables. Since subsidies are not available on canned vegetables, OPA has stated that it will issue amendments to the applicable price regulations permitting processors to recalculate their maximum prices to reflect the absence of the subsidy.

Special provision is made in the Act for sugar subsidies. 1946 and 1947 crop program operations for sugar may be carried on while maximum prices are in effect with respect to sugar until the 1946 and 1947 crops are processed and distributed, without regard to any of the restrictions on subsidy operations mentioned above.

But neither the Commodity Credit Corporation nor any other government agency shall absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f.o.b. Cuba. Thus any further increases in the price of sugar are to be passed on to sugar consumers.

Industry Advisory Committees

The various industry advisory committees may file petitions for the removal of price controls with the Secretary of Agriculture in the case of agricultural commodities and with the Price Administrator in the case of nonagricultural commodities. The Secretary or the Administrator shall act on the petition within 15 days, and if the petition is not granted in full shall hold a hearing on the petition.

The newly created Price Decontrol Board is to be a bi-partisan board of three members. Appeals may be taken to the Price Decontrol Board if the industry advisory committee's petition for decontrol is denied or is not acted on by the Secretary or the Price Administrator. The Board may order the removal of maximum prices on such an appeal, and its orders are not subject to review by any other agencies or courts.

Decontrol of Nonagricultural Commodities

The Price Administrator is given the authority to decontrol on or before December 31, 1946, all nonagricultural commodities not important in relation to living or business costs. He is to do so where decontrol will not not bring about "a cumulative and dangerous unstabilizing effect." No maximum price for any nonagricultural commodity can be maintained after December 31, 1946, unless the Administrator expressly finds that such commodity is important in relation to business or living costs.

The Administrator is also directed to remove promptly maximum prices on nonagricultural commodities whenever the supply is in approximate balance with demand. Where the prices of nonagricultural commodities which have been decontrolled "have risen to and after a reasonable test period remain at unreasonable and inflationary levels," the Administrator may reestablish price controls on such commodities with the advance consent of the Price Decontrol Board.

Other Changes

The Act contains numerous other changes which are of only indirect interest to canners. The OPA is prohibited from fixing the quantity or percentage of any product which any seller may sell to any buyer. Maximum prices for restaurant items which are prepared from products not subject to price control must include the cost of acquisition plus the customary margin. OPA's maximum average price system is specifically prohibited.

The Act contains several provisions regarding wholesale and retail prices. In the case of a wholesale or retail industry where sales were cut down during the war by governmental regulation to 75 per cent or less of the sales in the period of 1939 to 1941, established retail or wholesale discounts or mark-ups shall not be reduced until sales reach the 1939-1941 average for a period of six months. In establishing maximum prices for wholesalers and retailers, the Administrator must allow the average current cost of acquisition plus the percentage discount or mark-up in effect on March 31, 1946.

Whenever the world price of an essential imported commodity exceeds the maximum purchase price set by the Administrator and when this price disparity results in substantial reduction in the importation of the commodity or substantial curtailment of the domestic trade in such commodity or its products, the Administrator is required to remove price ceilings on such commodity and its products or increase the maximum prices to the extent necessary to avoid any reduction in importation or curtailment in the domestic trade.

Petroleum and petroleum products are specifically decontrolled until August 20, but price control of these products may thereafter be restored pursuant to standards similar to those for the agricultural commodities temporarily exempted until that date.

A special pricing provision for cotton and wool products sets forth the formula which must be used in fixing maximum prices for these products. The Secretary of Agriculture is authorized to allocate feed to areas where there is an emergency shortage condition with respect to animal and poultry feed. And finally, special price adjustments are provided for wheat sold to the Commodity Credit Corporation.

The Act gives the Administrator a thirty day grace period after the date of enactment before he must make any of the changes in maximum prices required by the Act. This provision may mean that amendments to applicable price regulations in most instances will be delayed for several weeks.

Maine Blueberry Canners Discuss International Trade

The Maine Blueberry Canners Association met at Bangor, Maine, last week to discuss procedure for the collation and presentation of data to the Committee on Reciprocity Information, U. S. Department of Commerce, for projected international trade agreements. The meeting, which was attended by Allen Walker, director of the International Trade Division of the N.C.A., was presided over by K. K. Soule, Monmouth Canning Co., and president of the blueberry canners group.

Mr. Soule stressed the necessity for blueberry canners in all areas in the United States to unify their ideas with respect to reciprocal tariffs. He said it was essential that individual and territorial considerations should be subordinated to whatever was best for the industry as a whole. Mr. Soule urged that the group should get together on a specific program which might enable the N.C.A. to follow an appropriate policy in its work in their behalf.

A definite program adopted at the meeting includes importation into the United States of both fresh and processed fruit from Canada. It was resolved that Mr. Walker, in collaboration with Mr. Soule and George F. Marston, Chandler River Canning Association, Jonesboro, Maine, would confer with representatives of the Government and with canners in other States concerning the proposed program.

Those present at the meeting, besides Mr. Soule, all of Maine, were: C. E. Harrison, H. L. Forhan Co. Portland; Harold Harmon, H. L. Forhan Co., Portland; S. E. Groder, Gardner; Ed Bird, Medomak Canning Co. Rockland; George F. Marston, Chandler River Canning Association, Jonesboro; Frank C. Black, Black & Gay, Thomaston; E. A. McMann, Northeastern Packing Co., Franklin; Jasper Wyman, Jasper Wyman & Son, Milbridge; and A. L. Stewart, A. L. Stewart & Sons, Cherryfield.

USDA Meat Board Report

Meat production under Federal inspection for the week ended July 2[illegible] totaled 391,000,000 pounds, according to the U. S. Department of Agriculture. This production was 19 percent above the 327,000,000 pounds in the preceding week and 43 percent above the 273,000,000 pounds produced during the last year.

Maine Sardine Packers Export Association Files With FTC

The Maine Sardine Packers' Export Association, which was organized to engage in the exporting of canned sardines packed in Maine and other New England States, has filed papers under the Export Trade Act (Webb-Pomerene Law) with the Federal Trade Commission. The new canned fish export group will maintain offices at Eastport, Maine. Members of the association, all located in Maine, are:

Addison Packing Co., South West Harbor; American Sardine Corp., Lubec; R. J. Peacock Canning Co., Lubec; Seaboard Packing Co., Lubec; North Lubec Manufacturing and Canning Co., North Lubec; Belfast Packing Co., Belfast; Holmes Packing Corp., Eastport; B. H. Wilson Fisheries, Eastport; Royal River Packing Corp., Yarmouth; and Stinson Canning Co., Prospect Harbor.

Officers and directors of the association are Ralph B. Stevens, president and director; M. B. Pike, vice president and director; Donald G. Wilson, secretary-treasurer and director; Milroy Warren, Calvin Stinson, M. P. Lawrence and F. A. Pike, directors.

The Export Trade Act provides that nothing contained in the Sherman Act shall be construed as declaring to be illegal a cooperative or "association" entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, provided there be no restraint of trade within the United States, or restraint of the export trade of any domestic competitor; and with the further prohibition of any agreement, understanding, conspiracy or act which shall artificially or intentionally enhance or depress prices within the United States, substantially lessen competition or otherwise restrain trade therein.

Food Import Controls Amended by USDA; Canned Fish Affected

The United States Department of Agriculture issued July 22 an amendment to food import regulations freeing eleven classes of foods from import controls, reinstating controls on one other, and revising regulations covering three others.

Edible olive oil, which was removed from controls on July 5, 1944, is again being placed under import restrictions because of the shortage of this commodity in the United States. The oil, now being obtained in exchange for soybean oil, which is under international food allocation, is badly needed in this country, and import controls are considered necessary.

Foods removed from import controls are: Cohune nuts and kernels; cohune nut oil; alewives and other pickled or salted fish; fish cakes, balls, and pudding, in oil or in oil and other substances; fish paste and fish sauce; all types of salted or pickled herring, including sprats, pilchards, and anchovies; canned oysters; canned clams and clams in combination with other substances (except clam chowder); canned razor clams; canned lobster, including spiny lobsters and crawfish; and lobster paste and sauce.

The first two of these classes were declared to be in sufficient supply to warrant their removal from import controls. The exportable surpluses of the other classes in certain producing areas are still under international food allocation, but Department spokesmen say that world supplies are such that it is no longer necessary to maintain controls over importations into the United States. The removal of controls applies to the indicated foods regardless of whether the importations are made for consumption in the United States, or for transshipment through the United States.

Controls over the importation into Puerto Rico and the Virgin Islands of peas, beans and garbanzos produced outside the continental United States are being revised. Under new regulations, import licenses will be required regardless of whether these products are shipped directly from the producing countries to Puerto Rico and the Virgin Islands, or are shipped by way of the United States. Previously, licenses were only required on the latter shipments.

This revision is considered necessary to implement international food allocations.

All the foregoing actions were taken through the issuance of Amendment 12 to War Food Order 63, which controls the importation of food items into the continental United States, Puerto Rico, and the Virgin Islands. The amendment became effective on July 23, 1946.

Salmon Cannery Tender Sinks

The salmon cannery tender, *Cougar*, foundered July 22 in a heavy storm in treacherous Shelikof Strait northwest of Kodiak, Alaska. The tender belonged to Frank McConaghy, Inc., which firm has a salmon cannery at Kodiak.

Ten persons were lost, including the crew of three and seven passengers. Only survivor was a passenger who was later rescued in an exhausted condition.

The *Cougar's* radio call for help was answered by several fishing boats and Coast Guard vessels but all arrived too late except for picking up the single survivor.

End Set-aside Requirements for 1946 Chum Salmon Pack

The Department of Agriculture on July 19 ended requirements that canners set aside portions of their 1946 chum salmon pack for governmental use. It is estimated that over 238,000 cases of this variety of salmon will be released to domestic consumers by the action taken in Amendment 20 to War Food Order 44. USDA said that the new order, which applies to all canners in Continental United States and Alaska, excludes canned chum salmon from the quota provisions of WFO 44 but requires that canners must continue to report their pack of chum along with other species of salmon.

The original order required that during the year starting April 1, 1946, one-third of the chum pack be reserved for government purchase to be used by UNRRA in relief feeding. Recently, it has been decided to cut canned salmon shipments out of the relief program.

Quotas for other classes of canned fish in the order remain 33 percent for all salmon except chum, and 45 percent for Atlantic and Pacific mackerel, pilchards, and Atlantic sea herring.

Death Takes Harold D. Deshon

Harold D. Deshon, 59, president of Smithfield Pure Food Co., Inc., Hilton, New York, died of a heart attack while at the wheel of his car on July 18. Mr. Deshon was well known to the canning and business trade, having been very active as a New York State fruit packer for the past 30 years.

Mr. Deshon was a member of both the Association of New York State Canners, Inc., and the National Canners Association, and was active in the affairs of both groups, having served as a director of the New York State Canners Association and the N. C. A. He also served on several committees with both organizations.

He is survived by his wife and four daughters.

Maine Sardine Canners Discuss International Trade Programs

Members of the Maine Sardine Canners Association met last week at Bangor, Maine, with Allen Walker, director of N.C.A.'s International Trade Division, to discuss tariffs and projected international trade agreements.

The sardine canners discussed the competitive factors in relation to imports of canned fish from Norway, Spain, Portugal and Latin America, and the steps that might be taken to present an effective industrial brief to the U. S. Department of Commerce's Committee on Reciprocity Information in advance of the preparation of projected trade agreements.

Those attending the meeting, all of Maine, were: Ralph B. Stevens, Royal River Packing Corp., Yarmouth, and president of the Maine Sardine Canners Association; Frank Pike, American Sardine Co., Lubec; Donald Wilson, B. H. Wilson Fisheries, Eastport; Milroy Warren, R. J. Peacock Canning Co., Lubec; Glenn Lawrence, Belfast Packing Co., Belfast; Calvin Stinson, Stinson Canning Co., Prospect Harbor; Frank Lawrence, North Lubec Manufacturing and Canning Co., Lubec. The Seaboard Packing Co. of Lubec, was represented by Frank Pike and the Addison Packing Co. of South West Harbor, by Calvin Stinson.

SUBSIDY PAYMENTS END

(Continued from page 295)

information, it seems likely that no further subsidy programs on these vegetables will be put into effect. Thus under OPA pricing regulations, it seems clear that with respect to the sale of products hereafter, no subsidy "is payable."

In order to avoid confusion concerning these announcements, canners must distinguish clearly between the sale of canned products packed under the 1945 subsidy program and products packed under the 1946 interim subsidy program. (The controlling production dates for each product under the two programs may be found by reference to INFORMATION LETTERS for February 12, April 6, July 6, 1946, pages 70, 156, and 271.) The so-called "eligible sales period" for the 1946 interim subsidy program ended on June 30 and has never been extended. The "eligible sales period" for the 1945 subsidy program has now been terminated on midnight July 27, 1946. The curious and confusing result is that the subsidy will have been paid on sales of products packed under the 1945 program and sold up to and including July 27, 1946, or approximately one month more than subsidies will have been paid on the sale of products packed under the 1946 interim program.

With respect to both programs, canners will be given up to November 30, 1946, to file applications for subsidy payments which have already accrued.

Adjustment of Price Ceilings

Unfortunately, at the time the LETTER went to press, the legal position of canners with respect to reflecting the amount of the subsidy in their ceiling prices is equally confusing. With respect to price ceilings on 1945 production, controlled by Supplement 13 to FPR 1, canners are technically not authorized to increase their ceiling prices until specifically permitted to do so by OPA. With respect to 1946 production of any subsidized vegetable, where the canner had prior to June 30, 1946, calculated his ceiling price under Supplement 19 and had in any way announced this price to the trade, he is likewise technically prohibited from raising such ceiling price to include the amount of the subsidy until specifically permitted to do so by OPA. This is because the law extending price control requires canners to comply with the pricing regulations which were in effect on June 30, 1946, and these pricing regulations do not permit the recalculation of a ceiling price once established. (See Section 3.10 of FPR 1, where it is provided that a price is established by filing, offer to a customer, or invoicing or trade announcement.)

OPA officials have assured the Association that an amendment to Supplement 1, and presumably to Supplement 13, is being prepared for early release which will permit canners to increase their June 30, 1946 ceiling prices by the amount of the subsidy.

A bulletin explaining these pricing questions under OPA regulations was circulated by the Association on July 23, 1946. In this bulletin it was pointed out that any canner who did not complete the calculation of his 1946 ceiling prices on his 1946 pack of these designated vegetables prior to June 30, 1946, and whose price did not become established by that date, appears to be permitted by Supplement 19 to calculate a higher price reflecting the absence of any subsidy. This is because at the present time when he calculates and establishes his price, no subsidy "is payable" and he need not make any deduction. (See Supplement 19, Section 5 (a) (1) (v).)

Fruit Pack Bulletin Mailed

"Canned Food Pack Statistics: 1945, Part 2—Fruits," a bulletin compiled by the Association's Division of Statistics, was mailed this week to members of the N.C.A. and to other interested parties. This publication gives the 1945 canned fruit pack by States and size of containers and compares it with packs of recent years. Members desiring additional copies may obtain them by writing to the Association's Division of Statistics.

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